

**NOTE:** As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 3/8/03 HB \_\_\_\_\_

SHORT TITLE: Liquor Tax Revenue to Local DWI Grant Fund SB 733

ANALYST: Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(\$611.0)		Recurring	State General Fund
	\$11.0		Recurring	Shared Among All Counties
	\$600.0		Recurring	San Miguel County

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to

- HB-432, Liquor Excise Tax Revenue to DWI Grant Fund
- HB-873, Liquor Tax Revenue to Local DWI Grant Fund
- SB-806, Liquor Tax Revenue to Local DWI Grant Fund
- SB-735, Liquor Tax Revenues to Local DWI Grant Fund

### SOURCES OF INFORMATION

LFC files

#### Responses Received From

- Taxation and Revenue Department (TRD)
- Department of Finance and Administration (DFA)

## SUMMARY

### Synopsis of Bill

Senate Bill 733 increases the percentage of state liquor excise tax revenue distributed to the Local DWI Grant Fund administered by the Local Government Division of the Department of Finance and Administration. The current percentage is 34.57% of net liquor excise tax revenue. For fiscal year 2004, the percent distributed would increase to 36.15%.

An additional \$600,000 in FY 2004 and in subsequent years would be appropriated from the DWI Grant Fund for distribution to San Miguel County for funding of alcohol education, prevention and intervention programs.

Amounts for other beneficiaries of the fund, the \$2 million reserved for grants to local governments, the formula distribution to all counties, and the \$2.8 million distribution to certain counties for alcohol detoxification and treatment facilities would be mostly unchanged from current amounts.

## FISCAL IMPLICATIONS

SB 733 would adversely affect the general fund by \$611.0. TRD notes the relatively small amount of excess money, \$11.0 in FY 04 and subsequent years, would be distributed to all counties by the formula distribution specified in Section 11-6A-6 NMSA 1978 (Section 3 of the bill).

## OTHER SUBSTANTIVE ISSUES

TRD has provided the following legislative history:

### Legislative History

- The DWI Grant Fund was originally created by Laws 1993, Chapter 65, Section 3 (Chapter 11, Article 6A NMSA 1978) as part of a major liquor tax increase and DWI prevention effort. From 1993 through 1997 the fund was financed by state General Fund appropriation. The 1993 legislation appropriated \$5.5 million for the 1993-94 fiscal year to the newly created Local DWI Grant Fund for use in grants to local communities to fund innovative programs and services dealing with DWI, alcoholism and alcohol abuse. Appropriations to the fund for fiscal years 1994 through 1997 were roughly \$5 million per year. Also in fiscal year 1993-94, an additional \$5.1 million was appropriated to the newly created DWI Program Fund administered by DFA for use in new state agency programs meeting the guidelines of the Alcoholism and Alcohol Abuse Prevention, Screening and Treatment Act. The Community DWI Fund was appropriated \$9.2 million, replacing the old earmarked tax to the Community Alcoholism Treatment and Detoxification Fund.
- 1997 legislation (Laws 1997, Chapter 182 – 1997 HB-107) directed 27.2% (\$9.7 million) of state Liquor Excise Tax revenue from the State General Fund to the Local DWI Grant Fund, and created a new quarterly distribution by formula to counties amounting to available money in the fund less \$2 million reserved for local government grants.

- 2000 legislation (Laws 2000, Chapter 83 – 2000 SWMC Substitute for SB-96) increased the DWI Grant Fund distribution to 32.7% (an additional \$2.0 million) of liquor excise tax revenue for fiscal year 2002 only, and appropriated the additional amount to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) to fund alcohol detoxification and treatment facilities.
- 2001 legislation (Laws 2001, Chapter 112 – HB-103) permanently directed 34.57% of state liquor excise tax revenue to the Local DWI Grant Fund, beginning in fiscal year 2002. An additional \$0.5 million was appropriated from the DWI Grant Fund for distribution to Santa Fe County (\$0.3 million) and Rio Arriba County (\$0.2 million) to fund alcohol detoxification and treatment facilities.
- The one-time distributions to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) formerly specified for fiscal year 2002 to fund alcohol detoxification and treatment facilities was made permanent.

SN/njw:pr